

Message Text

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ACTION ACDA-10

INFO OCT-01 EA-06 IO-10 ISO-00 CIAE-00 DODE-00 PM-03 H-02

INR-07 L-03 NSAE-00 NSC-05 PA-01 PRS-01 SP-02 SS-15

USIA-06 OES-03 ERDA-05 NRC-05 FEA-01 NEA-10 EUR-12

TRSE-00 OMB-01 AID-05 XMB-02 EB-07 (ISO) W

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R 170351Z JUL 75 ZEL

FM AMEMBASSY MANILA

TO SECSTATE WASHDC 5526

INFO AMEMBASSY CANBERRA

AMEMBASSY JAKARTA

AMEMBASSY KUALA LUMPUR

AMEMBASSY SEOUL

AMEMBASSY SINGAPORE

AMEMBASSY TAIPEI

AMEMBASSY TOKYO

USMISSION IAEA VIENNA

AMEMBASSY WELLINGTON

S E C R E T SECTION 1 OF 2 MANILA 9768

C O R R E C T E D C O P Y (CAPTION DELETED)

E.O. 11652: GDS

TAGS: PARM

SUBJECT: MULTINATIONAL NUCLEAR CENTERS: ASSESSMENT OF KEY ASIAN
COUNTRIES' ATTITUDES TOWARD PLUTONIUM REPROCESSING

REF: A) STATE 154049; B) MANILA 7512; C) MANILA 9357; D) TOKYO 9787

BEGIN SUMMARY: THE PHILIPPINES HAS EVIDENT LIABILITIES AND
IMPORTANT ASSETS AS A CANDIDATE FOR SITING OF A REGIONAL
MULTINATIONAL NUCLEAR CENTER. THE LIABILITIES INCLUDE A
TRAPSPARENTLY THIN KNOWLEDGE OF NUCLEAR TECHNOLOGY, A LACK
OF EXPERIENCE BEYOND THE ELEMENTARY LEVEL WITH NUCLEAR
ACTIVITIES, AN INABILITY TO FINANCE SUCH A PROJECT FROM

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ITS OWN RESOURCES AND QUESTIONS ABOUT THE FUTURE COURSE

OF PHILIPPINE DOMESTIC POLITICS. THE ASSETS INCLUDE THE PROSPECT OF GENERALLY FAVORABLE ATTITUDES TOWARD SUCH A FACILITY, THE LIKELY AVAILABILITY OF A SUITABLE SITE, A LOW ORDER OF RISK OF DIVERSION INTO WEAPONRY AND A REGIONAL IDENTITY CAPABLE OF ELICITING COOPERATION FROM POTENTIAL USERS OF THE CENTER. THE EMBASSY BELIEVES FURTHER CONSIDERATION SHOULD BE GIVEN TO THE PHILIPPINES AS A SITE FOR AN ASIAN MNC, PARTICULARLY IF U.S. POLICY SEEKS A GENUINELY REGIONAL FACILITY IN WHICH A NUMBER OF REGIONAL USERS CONTRIBUTE TO THE CREATION OF THE CENTER AND SHARE IN ITS OPERATION. END SUMMARY.

1. THE PHILIPPINES IS IN THE EARLY STAGES OF DEVELOPMENT OF NUCLEAR CAPABILITIES. THE COUNTRY PRESENTLY HAS ONE RESEARCH REACTOR SUPPLIED BY THE U.S.. IT IS PLANNING CONSTRUCTION OF AS MANY AS FIVE NUCLEAR POWER PLANTS BY THE END OF THE CENTURY AND IS CURRENTLY NEGOTIATING WITH WESTINGHOUSE AND FINANCING INSTITUTIONS, PARTICULARLY EXIM, ABOUT ARRANGEMENTS FOR FIRST PLANT.

2. PHILIPPINE NUCLEAR POLICY FORMULATION CENTERS IN THE OFFICE OF THE PRESIDENT. EXECUTIVVE SECRETARY ALEJANDRO MELCHOR MAINTAINS A CLOSE WATCH OVER PROGRESS OF NEGOTIATIONS TOWARD THE NUCLEAR POWER PLANT AND OPERATION OF RESEARCH REACTOR. AT OPERATIONAL LEVEL, RESPONSIBILITY FOR NUCLEAR POWER HAS BEEN PLACED IN NATIONAL POWER CORPORATION AND ITS GENERAL MANAGER, ROMAN RAVANZO. NPC HAS HAD NO EXPERIENCE WITH NUCLEAR POWER, AND HAS BEEN OVERSHADOWED IN POWER FIELD BY MERALCO, A PRIVATELY OWNED FIRM NOW CLOSELY LINKED TO GOVERNMENT. RESEARCH REACTOR IS LOCATED AT PHILIPPINE ATOMIC RESEARCH CENTER IN MANILA AREA AND IS SUPERVISED BY PHIPLIPPINE ATOMIC ENERGY COMMISSION UNDER CHAIRMANSHIP OF LIBRADO D. IBE. PAEC DOES NOT HAVE LARGE STAFF AND HAS RECORD OF LOSING MANY PERSONNEL WHOSE TRAINING IT SPONSORED TO OTHER ORGANIZATIONS ABROAD AND IN THE PHILIPPINES.

3. PRINCIPAL OBJECTIVE OF GOP'S WELL ARTICULATED PLANS FOR CONSTRUCTION OF NUCLEAR POWER PLANTS IS TO MEET
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COUNTRY'S GROWING POWER NEEDS AND TO REDUCE ITS DEPENDENCE ON PETROLEUM IMPORTS. IN ADDITION TO ECONOMIC COSTS OF THIS DEPENDENCE, GOP LEARDERSHIP IS ACUTELY CONSCIOUS OF THREAT ITS DIFFERENCES WITH MUSLIMS IN SOUTHERN PHILIPPINES POSE TO RELIABILITY OF PETROLEUM SUPPLIES FROM TRADITIONAL PHILIPPINE SOURCES IN MIDDLE EASH. PHILIPPINE NUCLEAR POWER OBJECTIVE HAS FOUND POWERFUL SUPPORT FROM EXECUTIVE SECRETARY MELCHOR WHO

BELIEVES DEEPLY THAT ACHIEVEMENT OF THE GOALS OF
PHILIPPINE DEVELOPMENT REQUIRES AGGRESSIVE EXPLOITATION
OF TECHNOLOGICAL ADVANCES.

4. THERE HAS BEEN NO INDICATION THAT PHILIPPINE
INTEREST IN NUCLEAR TECHNOLOGY EXTENDS TO WEAPONS FIELD.
PHILIPPINES RATIFIED NON-PROLIFERATION TREATY IN 1972.
GOP RESEARCH ACTIVITIES HAVE BEEN OF MOST ELEMENTARY SORT
AND PAEC HAS ONLY RECENTLY PROPOSED MODEST EXPANSION
OF CAPABILITIES OF RESEARCH REACTOR BY SUBSTITUTING 93
PERCENT ENRICHED URANIUM FOR PRESENT 20 PERCENT ENRICHED
URANIUM. IN ADDITION TO THIS APPARENT DISINTEREST IN
ACQUIRING THE TECHNOLOGICAL AND OTHER RESOURCES
NECESSARY TO DEVELOPMENT OF NUCLEAR WEAPONS CAPABILITY,
GOP FINANCIAL CAPABILITIES ARE HARD PRESSED TO COPE WITH
IDENTIFIED HIGH PRIORITY DEVELOPMENT AND CONVENTIONAL
SECURITY NEEDS. EMBASSY WOULD NOT SUGGEST THAT THE
PHILIPPINES, ANY MORE THAN ANY OTHER COUNTRY, HAS AN
INDEFINITE IMMUNITY TO THE NUCLEAR WEAPON VIRUS, BUT IT
APPEARS CONSIDERABLY FURTHER FROM MEANINGFUL EXPOSURE
TO THE DISEASE THAN DO SEVERAL OTHER EAST ASIAN COUNTRIES.

5. PHILIPPINE INTEREST IN A MULTINATIONAL NUCLEAR
CENTER HAS BEEN EXPRESSED AT THE TECHNICAL LEVEL
(REF B), BUT PROPOSAL HAS PROBABLY NOT BEEN EXPLORED
AT POLICY MAKING LEVELS. EMBASSY EXPECTS GOP WOULD BE
INTERESTED IF IT COULD BE ASSURED OF NECESSARY TECHNICAL
AND FINANCIAL SUPPORT FROM REGIONAL COUNTRIES AND
POSSIBLY U.S. . OF COURSE, GOP WOULD REQUIRE CONSIDERABLY
MORE INFORMATION ABOUT PROJECT BEFORE MEANINGFUL POLICY
LEVEL CONSIDERATION COULD OCCUR.

6. PHILIPPINE ARCHIPELAGO CONTAINS NUMEROUS ISLANDS
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OF VARIOUS SIZES AND DEGREES OF REMOTENESS. ALTHOUGH,
MANY OF THESE ISLANDS MAY LACK PROSPECTS OF GEOLOGICAL
STABILITY REQUIRED FOR MNC, EMBASSY ASSUMES THAT SUITABLE
ISLANDS OR REMOTE SITES ON ONE OF THE LARGE PHILIPPINE
ISLANDS COULD BE LOCATED.
SULLIVAN

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ACTION ACDA-10

INFO OCT-01 EA-06 IO-10 ISO-00 CIAE-00 DODE-00 PM-03 H-02

INR-07 L-03 NSAE-00 NSC-05 PA-01 PRS-01 SP-02 SS-15

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R 170351Z JUL 75

FM AMEMBASSY MANILA

TO SECSTATE WASHDC 5527

INFO AMEMBASSY CANBERRA

AMEMBASSY JAKARTA

AMEMBASSY KUALA LUMPUR

AMEMBASSY SEOUL

AMEMBASSY SINGAPORE

AMEMBASSY TAIPEI

AMEMBASSY TOKYO

USMISSION GENEVA

AMEMBASSY WELLINGTON

S E C R E T SECTION 2 OF 2 MANILA 9768

E. O. 11652 GDS

TAGS: PARM

SUBJECT: MULTINATIONAL NUCLEAR CENTERS: ASSESSMENT OF KEY ASIAN
COUNTRIES' ATTITUDES TOWARD PLUTONIUM REPROCESSING

GENEVA FOR IAEA

7. PUBLIC CONCERN ABOUT ENVIRONMENTAL DANGERS IS
GRADUALLY GROWING IN THE PHILIPPINES. ANY PHILIPPINE
GOVERNMENT CONSIDERING ESTABLISHMENT OF MNC IN
PHILIPPINES WOULD EXAMINE CLOSELY RISKS PROPOSED MNC
WOULD POSE ON PHILIPPINE ENVIRONMENT. THE CHANCES THAT
THE PHILIPPINES WOULD FIND THESE CONCERNS OVERRIDING DO
NOT, HOWEVER, APPEAR GREAT. THE LIKELIHOOD THAT A
REMOTE LOCATION CAN BE FOUND AND THE PRIMACY OF

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DEVELOPMENT AND REGIONAL POLITICAL OBJECTIVES SHOULD
PREVENT A BUILDUP OF PRESSURE ON SAFETY AND
ENVIRONMENTAL QUESTIONS.

8. PHILIPPINES IS CLEARLY NOT IN POSITION TO UNDER-TAKE MNC PROJECT ON BASIS OF ITS OWN TECHNOLOGICAL AND FINANCIAL RESOURCES. HOWEVER, ITS NEED FOR OUTSIDE ASSISTANCE PRESENTS OPPORTUNITY NOT AVAILABLE IN COUNTRIES WITH WELL ADVANCED NUCLEAR PROGRAM FOR BROAD MULTINATIONAL INVOLVEMENT IN PROJECT'S CONCEPTION, DESIGN, FINANCING AND OPERATION. SUCCESSFUL IMPLEMENTATION OF MNC PROJECT IN PHILIPPINES WOULD, THEREFORE, APPEAR TO REQUIRE EXTENSIVE SUPPORT FROM OTHER MORE ADVANCED REGIONAL COUNTRIES AND POSSIBLE NON-REGIONAL COUNTRIES. IF USG HAS STRONG INTEREST IN ESTABLISHING FULLY MULTINATIONAL NUCLEAR CENTER, IT MAY WISH FURTHER EXAMINE PROSPECTS FOR REGIONAL SUPPORT.

9. PHILIPPINE FOREIGN POLICY THROUGHOUT COUNTRY'S HISTORY HAS FEATURED A CLOSE RELATIONSHIP WITH THE U.S. ON SECURITY SIDE THIS RELATIONSHIP HAS BEEN MANIFESTED BY MUTUAL DEFENSE ARRANGEMENTS, THE PRESENCE OF U.S. BASES IN THE PHILIPPINES AND EXTENSIVE PHILIPPINE RELIANCE UPON THE RELATIONSHIP TO DETER AGGRESSION BY ITS NEIGHBORS. IN THE AFTERMATH OF VIETNAM THE GOP HAS CALLED FOR A RE-EXAMINATION OF THIS RELATIONSHIP, IS ESTABLISHING DIPLOMATIC RELATIONS WITH THE PEOPLE'S REPUBLIC OF CHINA AND IS TAKING OTHER STEPS TO ADJUST TO PERCEIVED NEW ASIAN POWER RELATIONSHIPS. THESE MOVES AND GROWING PHILIPPINE SUPPORT OF INITIATIVES OF "THIRD WORLD" ISSUES DO NOT, HOWEVER, APPEAR TO PORTEND A SHARP BREAK IN THE PHILIPPINE RELATIONSHIP WITH THE U.S. UNLESS NEGOTIATIONS WITH PHILIPPINE OVER NEXT FEW MONTHS CHANGE THAT ASSESSMENT, LOCATION OF MNC IN PHILIPPINES SHOULD BE AS COMFORTABLE FOR U.S. AS ITS LOCATION IN ANY OTHER COUNTRY IN REGION. ALTHOUGH WE BELIEVE THAT PHILIPPINES FROM ITS OWN DOMESTIC DEVELOPMENT CONSIDERATIONS AND ITS REGIONAL POLITICAL AMBITIONS WOULD WELCOME LOCATION OF MNC HERE, ITS LOCATION HERE COULD RUFFLE SOME ASEAN FEATHERS.

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10. MARTIAL LAW APPEARS LIKELY TO CONTINUE IN THE PHILIPPINES FOR AN INDEFINITE PERIOD. THE GOVERNMENT IT PROVIDES IS NOW STABLE, BUT IN THE LONGER RUN, ALL GOVERNMENTS CHANGE. THE PROSPECT THAT SUCH A CHANGE WOULD BRING ABOUT A MASSIVE REORIENTATION IN PHILIPPINE FOREIGN POLICY IS SMALL. THE PROSPECT OF DISORDER FOLLOWING THE DEMISE OF THE MARCOS GOVERNMENT MUST BE RATED HIGH BUT THE RISK THAT ANY DISORDER WOULD BE PROLONGED OR WOULD ADVERSELY AFFECT THE USE OF THE MNC APPEARS SLIGHT. OF COURSE, GOP WOULD HAVE TO

RAISE ITS SECURITY PRECAUTIONS TO APPROPRIATE
INTERNATIONAL STANDARDS (SEE REF C FOR REPORT ON
SECURITY SHORTCOMINGS AT PARC).
SULLIVAN

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Message Attributes

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